



Medicaid & Schools

The Department of Education (DOE) has been working with the Department of Medical Assistance Services (DMAS) on a Medicaid Enhancement Program. The implementation of this program began in January of 2003 and continues. The enhancement program includes a reduction of paperwork, reimbursement rate increase, parental consent to release educational information, additional services, student list of Medicaid eligibility provided to school divisions, and administrative claiming.

Medicaid Enhancement Program			
Enhancement	Requirements	Service	Status
Reduction of Paperwork	Physician signature is no longer a Medicaid requirement for billable services. There are no prior authorization requirements	<ul style="list-style-type: none"> • Physical Therapy • Occupational Therapy • Speech-Language Pathology 	Effective July 1, 2003
Increasing Reimbursement Rates		<ul style="list-style-type: none"> • 15% increase for Occupational Therapy, Physical Therapy and Speech-Language Pathology • 50% increase for Skilled Nursing 	Effective January 1, 2003
Parental consent on the Medicaid/FAMIS application	Medicaid/FAMIS signature requirements are "any adult caretaker." This may not meet FERPA requirements and the Attorney General's office has been asked for comment.	ALL SERVICES except Administrative Claiming	Not In Effect
Additional Services		<ul style="list-style-type: none"> • Audiology • Health Assistant Services (clinic aides, special education aides, etc.) • Psychological services provided by a school social worker • Medical evaluation Services • Transportation 	Billable back to July 1, 2003 pending federal Medicaid approval.
Medicaid Eligibility information to school divisions	Available through a Web-based program: school divisions upload student directory information and match it against Medicaid eligibility information	ALL SERVICES except Administrative Claiming	September 2003

Medicaid Enhancement Program DMAS (cont'd.)

Enhancement	Requirements	Service	Status
Administrative Claiming	Revenue is received for administrative activities currently provided by school divisions (not special education specific). Reimbursement is based on salaries and other school division expenditures (no parental consent needed) and is combined with time study data.	<ul style="list-style-type: none"> • Occupational Therapist • Physical Therapist • Speech-Language Pathologist • Guidance Counselors • Secretaries • Special Education directors and coordinators • Teachers that are case managers • Vision Specialist • Psychologists • Social Workers • Nurses and Health Assistants • Etc. 	January 1, 2003
Free DMAS billing agent through Web-based program		<ul style="list-style-type: none"> • Physical Therapy Occupational Therapy • Speech-Language Pathology • Nursing • Psychological Services 	October 2003

Commonly Used Acronyms

DOE - Department of Education

DMAS - Department of Medical Assistance Service - Virginia's Medicaid Agency

CMS - Centers for Medicare/Medicaid Services - Federal agency that oversees and regulates Medicaid

EPSDT - Early Periodic Screening, Diagnosis and Treatment

FAMIS - Family Access to Medical Insurance Securities - A program sponsored by DMAS to provide low-cost medical insurance for children of qualified working families who do not have health insurance

FAMIS Plus - New name for children's Medicaid

FERPA - Family Education Rights and Privacy Act
First Health - DMAS' fiscal intermediary that enrolls providers, processes Medicaid claims and sends payments

HMS/UMMS - Health Management Systems/University of Massachusetts Medical School- Contractor that provides Medicaid student matching, billing and administrative claiming

HIPAA - Health Insurance Portability and Accountability Act -This is the Federal Privacy Act

ICD-9-CM - International Classification of Diseases 9th Revision, Clinical Modification; Standardized coding for diagnoses and medical services performed

POC - Plan of Care

TPL - Third-Party Liability- Students that have Medicaid AND private Insurance

FFP - Federal Financial Participation of Federal Medicaid Revenue. Virginia's current FFP is 50 percent

2002-2003 Reimbursement for School Divisions

Virginia's public school divisions RECEIVED the following in 2003-2004:

Rehabilitative Services	\$2,332,355.06
Clinic Services (EPSDT)	\$81,597.91
Administrative Claiming	\$577,571.67
TOTAL	\$2,991,524.64

Federal Reimbursement Rates

Currently, federal Medicaid funds reimburse school divisions 50 percent of the billable rate for special education services school divisions receive. FAMIS reimbursement is 65 percent of the billable rate for special education services school divisions receive. EPSDT reimburses both the federal and state portions of the billing rate (100%).

General Assembly Directs DMAS to keep 50% of All New Federal Revenue Generated by School Divisions

William Lessard, DMAS, wrote in a 12/17/03 Email:

"DMAS initiated its Medicaid School Initiative January 2003 as a result of a budget mandate to increase revenue for the Commonwealth. The budget passed by the General Assembly and signed by the Governor directed that the revenue from the federal government be shared equally between DMAS and the schools. This split between DMAS and the schools recognizes that cooperation between DMAS and the schools is necessary to maximize revenue. The amount of federal revenue claimed by Virginia schools is far less than the amount claimed by schools in other states. DMAS for its part is implementing numerous changes to make it easier for schools to claim more from the current medical claiming program and is implementing a new administrative claiming program.

Prior to this new Medicaid School Initiative, however, many school divisions were already actively claiming for medical services and were receiving revenue from the Medicaid program based on the previous arrangement that schools would receive all of the federal revenue. The Governor and the General Assembly recognized that it would be unfair to reduce payments to schools for amounts equal to what schools had earned prior to the Medicaid School Initiative. Therefore, DMAS was directed to establish "baselines" for both Medicaid and FAMIS based on recent historical billing experience. Schools with baselines receive all of the federal revenue up to their baseline and half of the federal revenue above their baselines.

Seventy-one school divisions have a Medicaid baseline and 67 have a FAMIS baseline. For the last six months of fiscal year 2003, the baseline was half of the annual baseline. The baseline is reset on July 1 every year but it will not increase. Schools just starting to bill for medical services will not have a baseline."

- Because Administrative Claiming has no prior history, Medicaid is sharing (50%) of all federal reimbursements with the local school divisions
- EPSDT reimbursements will not be shared with the DMAS and will continue to be reimbursed at 100% of the billable rate.
- Transportation reimbursements will also not be shared with DMAS. School divisions will receive the federal revenue for this service.

DMAS has a new computer system

DMAS implemented a new computer system June 2003. There have been glitches along the way. If you receive a remittance voucher that does not appear to be correct, please fax a copy to Chris Owens, DMAS, and include the problem report cover sheet. This report cover sheet can be found on the Department of Education Web page.

The fax number is (804) 786-5799

Medicaid and Third-Party Liability Students with both Medicaid and Private Insurance

DMAS research has concluded that private insurers do not pay for health services provided by school divisions. Therefore, it is no longer necessary to bill private insurers before billing Medicaid for special education services. This decision has a big impact in areas with a large military presence.

Medicaid Administrative Claiming

Federal reimbursement for Medicaid-reimbursable administrative activities in public schools is the product of three elements. First, Medicaid reimbursement is allowed only for certain activities; reimbursable administrative activities are limited to tasks performed by school staff (or school contractors). The school divisions identify staff believed to perform some Medicaid reimbursable tasks. Each of these staff is required to complete a time study reporting all of their activities for five consecutive days in each calendar quarter during the school year. The time study identifies the percentage of their time spent performing tasks reimbursable under the Medicaid program.

Second, the value of the claim is determined by the gross disbursements for staff and related costs for performing allowable administrative tasks. The aggregate value itself is the product of the number of staff performing these tasks and their salaries.

Third, the last variable is the percentage of students in a school division that are actually enrolled in Medicaid in the period for which the administrative claim is calculated. Federal rules reimburse several administrative tasks for all students, without regard to their Medicaid status. However, a greater percentage of reimbursable administrative tasks, which generally encompass a far greater percentage of staff time, are reimbursed only for students enrolled in Medicaid. The federal rules permit a projection based on the percentage of students enrolled in Medicaid, rather than linking staff time to individual students and their enrollment status.

Medicaid Administrative Claiming Policy Changes

Centers for Medicare and Medicaid (CMS) is requiring that DMAS use random start dates for the time study week. School divisions that participate in Administrative Claiming must also participate in Direct Service billing.

Transportation is now claimable

School divisions can submit claims for transportation reimbursement to DMAS effective July 1, 2003. Eligible circumstances include:

- 1) transportation for a student who rides a specially adapted bus;
- 2) transportation on a bus with an aid;

- 3) transportation can only be billed on days the students receive additional Medicaid billable services (such as skilled nursing or occupational therapy, etc).

Special transportation must be identified in the child's IEP.

Therapy Evaluation Order: Physician Order no longer required for Medicaid reimbursement

Medicaid no longer requires a physician to order the evaluation for occupational therapy, physical therapy or speech-language pathology. The therapist for each discipline who meets DMAS qualifications and does not fall into the "supervised" category can order the evaluation. This does not replace requirements of the licensing boards.

Plan of Care: Physician Order no longer required for Medicaid reimbursement

Medicaid no longer requires a physician's signature on the POC for occupational therapy, physical therapy, or speech-language pathology. The therapist for each discipline who meets DMAS qualifications and does not fall into the "supervised" category must sign the POC and MUST be a part of the IEP team (this does not mean the therapist must be a part of the IEP meeting). School divisions may use the IEP as the POC as long as all the requirements on the plan of care form are in the IEP.

Supervision Requirements

The supervising physical therapist, occupational therapist, and speech-language therapist must supervise each Medicaid recipient's therapy session on-site every 30 days. The supervisory visit must be documented in the assistant's monthly notes that must be signed by the supervising therapist. If the scheduled supervision does not take place (e.g., the student is absent or the therapist is absent), the supervising therapist must document the reason and may complete the supervision by reviewing the record and discussing the case with the assistant and documenting the review. When making assignments to the assistant, remember that the super-

vising therapist's caseload must be adjusted to allow for the time needed for supervision.

NOTE: A bachelor's level speech-language pathologist, master's level speech-language pathologist not licensed by the Board of Audiology and Speech-Language Pathology, physical therapy assistants, and occupational therapy assistants may not write the POC. Time also should be allocated for the supervising therapist to prepare the POC.

School Divisions Billing for Outside Therapy Agencies

School divisions that contract with outside rehabilitation agencies should be alerted to changes in Medicaid policy. Effective July 1, 2002 outside agencies will no longer be able to bill Medicaid directly for physical therapy, occupational therapy, and speech-language therapy services provided in schools. The school division must be the provider that bills Medicaid and the outside rehabilitation agency must provide documentation according to the school division's billing requirements.

National Procedure Codes

School divisions must use the national procedure codes when submitting claims to Medicaid for claims with a date of service on or after January 1, 2004. For claims with dates of service between June 20, 2003 and December 31, 2003, the national codes or the "z" codes may be used. Claims submitted for dates of service prior to June 20th must use the "z" codes. These codes can be found on the Department of Medical Assistance Services Web page linked to the Virginia Department of Education Medicaid Web page.

Reminders and Important Due Dates

- Please submit the license for each provider annually. Send a copy to Virginia Department of Education c/o Amy Edwards. If you have not submitted a current copy of your license, **DO NOT BILL MEDICAID FOR REIMBURSEMENT**. Documentation for a master's level speech-language pathologist must be a copy of the current Board of Audiology and Speech-Language Pathology license or a current ASHA membership card, unless the therapist is being supervised. **DO NOT** send a copy of the Board of Education

license, as this does not meet Medicaid provider requirements. Also, only submit licenses for those providers that are providing services to Medicaid recipients. If there is no documentation for providers in a specific discipline, Medicaid will be informed and the school division cannot bill for those services. DMAS will code the computer to deny any claims for those services.

- Quarterly reports are DUE to the Department of Medical Assistance Services, Fiscal Director, 600 E. Broad Street, Richmond, VA 23219, and the Virginia Department of Education, Medicaid Specialist, P.O. Box 2120, Richmond, VA 23218 on the dates below. Please send the original quarterly report to DMAS and a copy to the Department of Education. **THIS REQUIREMENT IS A CONDITION OF REIMBURSEMENT AS STATED IN THE SCHOOL DIVISION PROVIDER AGREEMENT WITH DMAS.**
July 15 October 15 January 15 April 15
- The Parental Consent form that allows school divisions to release health related student information to DMAS and its billing agents must be completed before any services can be billed to Medicaid. This is a FERPA requirement. Many school divisions find it most effective if this form is completed and signed at the time of the consent for the evaluation. This will allow the school division to bill for ALL Medicaid school division billable procedures. FERPA gives the parent/guardian the right to revoke permission at anytime for a child. A copy of the parental consent is available on the Medicaid Web page at the Department of Education Web site. Divisions are reminded that compliance with FERPA assures compliance with HIPAA.

The Department of Education has a Web page with Medicaid information. This information includes services, billing rates, provider qualifications, national procedure codes, forms, and the latest updates and links to the Department of Medical Assistance Services Web site. The address for this Web page is
<http://www.pen.k12.va.us/VDOE/Instruction/Sped/medicaidmain.html>.



Question - Can a speech-language pathologist with a provisional license participate in Medicaid billing?

Answer- No. A speech-language pathologist with a provisional License cannot participate in Medicaid billing.

Question - How many students can there be in an individual session?

Answer - Only one student can participate in an individual session.

Question - Can a school division bill for services that are paid out of federal funds?

Answer - No. School divisions may not bill for services paid entirely out of federal funds. If a portion of this service is paid out of state and local funds, you may bill for only the portion that is paid for out of state and local funds. If 100 percent of the service or service provider is paid out of Federal funds, and needs to be moved to state/local funds, please call Jerry Mathews, (804) 225-2704, to find out if that option is available your school division.

Below are the contacts for the Medicaid in Public Schools program.

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